

# KS-Derivatives

# Thailand Strategy 25 September 2009

### Actions:

- Today, hold on to both Long S50U09 and S50Z09. The next profit-taking point for S50U09 is 540 pts. However, if S50U09 breaches 513 pts downward during the day, the long position must be partially closed.
- Figure 1: Hold the long positions in S50U09 and S50Z09. Aim to take some profit at 540 pts and maintain the remaining position for it to zigzag up the chart. Stop-loss signal will be updated, but take some profit if it falls below 513 pts in intraday trade.
- Figure 2: Upside of the SET50 is 524 pts.
- The SET50 is expected to correct in line with a regional markets. However, in the medium-term, we believe that the SET will reach 800 pts or higher by the end of this year. However, history suggests that the SET will correct itself by approximately 25-30% after reaching its peak, as it did during 2003-2004. In short, we believe that the SET could test 733 pts, which is our and consensus's fair value, in the next week amid window-dressing activity. Fund flows are the key factor driving the market at the moment.

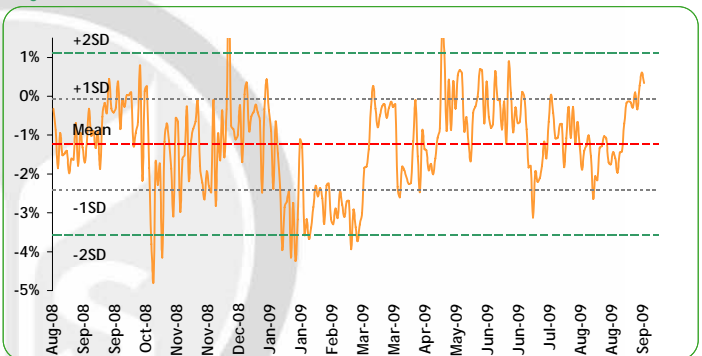
Figure 2: SET50 Top 10 Movers

| Top 10 (Bt) | Current price (A) | %Mkt Cap | Direction | S-T Target (B) | Up/Downside (B-A) | Impact on SET50 |
|-------------|-------------------|----------|-----------|----------------|-------------------|-----------------|
| PTT         | 265.0             | 16.6%    | Up        | 269.0          | 4.0               | 1.2             |
| PTTEP       | 147.5             | 10.8%    | Up        | 150.0          | 2.5               | 0.8             |
| ADVANC      | 96.5              | 6.3%     | Up        | 97.0           | 0.5               | 0.2             |
| BBL         | 121.0             | 5.1%     | Neutral   | 121.0          | 0.0               | 0.0             |
| SCC         | 233.0             | 6.2%     | Up        | 236.0          | 3.0               | 0.4             |
| SCB         | 84.8              | 6.4%     | Up        | 85.3           | 0.5               | 0.2             |
| BAY         | 19.6              | 2.6%     | Up        | 19.8           | 0.2               | 0.1             |
| DTAC        | 43.3              | 2.3%     | Up        | 45.0           | 1.8               | 0.4             |
| PTTCH       | 79.5              | 2.6%     | Up        | 82.8           | 3.3               | 0.5             |
| TOP         | 46.3              | 2.1%     | Up        | 47.0           | 0.8               | 0.2             |
| (Sum)       |                   | 61.1%    |           |                |                   | 3.9             |
| Last        | 520.0             |          | Up        | 523.8          |                   |                 |

Figure 1: Technical Analysis



Figure 3: SET50 Futures Premium



\*SD = Standard Deviation

### TECHNICAL VIEW ON STOCK FUTURES

Figure 4: PTTEPU09 Futures



- Figure 4. Hold on to the Long futures position in PTTEP through the volatility and aim to take some profit at 156-159 pts in the chart. But set a stop-loss to sell half the position if PTTEP spot closes below 141 pts.

Figure 5: PTTU09 Futures



- Figure 5. After having added to Long PTT futures, aim to take some profit at 280-282 pts in the chart. Stop-loss signal will be updated on closing, but take some profit if PTT futures trades below 261 pts (intraday).

### PAIR TRADE ACTION

- There is no pair trading signal available

The information, statements, forecasts and projections contained herein, including any expression of opinion, are based upon sources believed to be reliable, but their accuracy, completeness or correctness are not guaranteed. Expressions of opinion herein were arrived at after due and careful consideration and they were based upon the best information known to us then, and in our opinion are fair and reasonable in the circumstances prevailing at the time. Expressions of opinion contained herein are subject to change without notice.

**SET50 CHANGE & OPEN INTERESTS**
**Figure 6: SET50 Change & Open Interests**

|                       | Index | Change % | Net Long / Short Contracts            |         |         |
|-----------------------|-------|----------|---------------------------------------|---------|---------|
|                       |       |          | Institutions                          | Foreign | Retail  |
| LAST                  | 520.0 |          | 1,758                                 | -1,051  | -707    |
|                       |       |          | Cumulative Net Long / Short Contracts |         |         |
| -2D                   | 521.5 | -0.3%    | 1,863                                 | -1,831  | -32     |
| -1W                   | 508.0 | 2.4%     | 611                                   | -2,048  | 1,437   |
| -1M                   | 469.7 | 10.7%    | -4,307                                | 5,831   | -1,524  |
| YTD                   | 316.5 | 64.3%    | -19,637                               | 34,120  | -14,492 |
| Estimated Outstanding |       |          | -20,558                               | 32,725  | -12,176 |

**STATISTICS**
**Figure 7: SET50 Futures & Options Prices**

| Series      | Exp Date     | Last Price | 1 Day Chg | 1 Day %Chg | Open Int.  | Volume       | Fair Value | Fair/Spot(%) |           |
|-------------|--------------|------------|-----------|------------|------------|--------------|------------|--------------|-----------|
| S50U09      | 29-Jun-09    | 521.1      | -0.5      | -0.1%      | 18,913     | 7,534        | 523.3      | -0.4%        |           |
| S50Z09      | 29-Sep-09    | 521.7      | -0.7      | -0.1%      | 6,796      | 9,480        | 527.3      | -1.1%        |           |
| S50H10      | 31-Dec-09    | 521.4      | -0.1      | -0.0%      | 254        | 61           | 530.3      | -1.7%        |           |
| S50M10      | 31-Mar-10    | 520.5      | -0.5      | -0.1%      | 157        | 15           | 532.7      | -2.3%        |           |
| Call Option | Strike Price | Premium    | Volume    | Open Int.  | Put Option | Strike Price | Premium    | Volume       | Open Int. |
| U09         | 480          | 34.0       | 10        | 882        | U09        | 480          | 0.1        | 13           | 485       |
| U09         | 490          | 26.0       | 11        | 741        | U09        | 490          | 0.3        | 20           | 471       |
| U09         | 500          | 22.6       | 9         | 331        | U09        | 500          | 1.0        | 10           | 567       |
| U09         | 510          | 13.2       | 6         | 429        | U09        | 510          | 2.1        | 19           | 328       |
| U09         | 520          | 4.2        | 19        | 595        | U09        | 520          | 3.4        | 26           | 170       |
| U09         | 530          | 1.4        | 11        | 173        | U09        | 530          | 13.5       | 1            | 11        |

**Figure 8: Stock Futures Snapshot**

| Products  | Stock Price | Settlement Price | Stock/ Settlement(%) | Trade Volume |           | Chg in Price | Open Int. | Chg in OI | Fair Value | Fair/Spot(%) |
|-----------|-------------|------------------|----------------------|--------------|-----------|--------------|-----------|-----------|------------|--------------|
|           |             |                  |                      | Value (Btmn) | Contracts |              |           |           |            |              |
| PTT       | 265.0       |                  |                      |              |           |              |           |           |            |              |
| PTTU09    |             | 264.5            | 0.2%                 | 0.005        | 20        | -6.0         | 36        | 0         | 267.6      | -1.2%        |
| PTTEP     | 147.5       |                  |                      |              |           |              |           |           |            |              |
| PTTEPU09  |             | 148.0            | -0.3%                | 0.008        | 53        | -1.5         | 338       | -27       | 151.1      | -2.1%        |
| ADVANC    | 96.5        |                  |                      |              |           |              |           |           |            |              |
| ADVANCU09 |             | 97.0             | -0.5%                | 0.000        | 3         | -            | 172       | 0         | 97.5       | -0.5%        |
| BANPU     | 450.0       |                  |                      |              |           |              |           |           |            |              |
| BANPUU09  |             | 404.0            | 11.4%                | -            | -         | -            | 3         | 0         | -          | -            |
| BBL       | 121.0       |                  |                      |              |           |              |           |           |            |              |
| BBLU09    |             | 100.0            | 21.0%                | -            | -         | -            | 1         | 0         | -          | -            |
| ITD       | 3.9         |                  |                      |              |           |              |           |           |            |              |
| ITDU09    |             | 4.0              | -2.5%                | 0.200        | 98        | 0.2          | 1639      | 8         | -          | -            |
| KBANK     | 81.8        |                  |                      |              |           |              |           |           |            |              |
| KBANKU09  |             | 78.5             | 4.1%                 | 7.836        | 53        | -1.5         | 338       | -27       | -          | -            |
| KTB       | 9.2         |                  |                      |              |           |              |           |           |            |              |
| KTBU09    |             | 9.3              | -1.6%                | 0.589        | 64        | -            | 1791      | 11        | -          | -            |
| LH        | 6.9         |                  |                      |              |           |              |           |           |            |              |
| LHU09     |             | 6.9              | -0.7%                | 0.532        | 79        | -            | 283       | -35       | -          | -            |
| QH        | 2.4         |                  |                      |              |           |              |           |           |            |              |
| QHU09     |             | 2.4              | 0.8%                 | -            | -         | -            | 56        | 0         | -          | -            |
| SCB       | 84.8        |                  |                      |              |           |              |           |           |            |              |
| SCBU09    |             | 73.0             | 16.1%                | -            | -         | -            | 5         | 0         | -          | -            |
| SCC       | 233.0       |                  |                      |              |           |              |           |           |            |              |
| SCCU09    |             | 229.0            | 1.7%                 | -            | 1         | -            | 14        | -1        | -          | -            |
| TTA       | 26.8        |                  |                      |              |           |              |           |           |            |              |
| TTAU09    |             | 26.8             | -0.2%                | 1.236        | 46        | -1.0         | 330       | -15       | -          | -            |

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